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Total No. of printed pages = 6

HS 131406

Roll No. of candidate

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2019

B.Tech. 4th Semester End-Term Examination

ECONOMICS AND ACCOUNTANCY

(New Regulations)

Full Marks – 70

Time – Three hours

The figures in the margin indicate full marks
for the questions.

Please use separate answer books for the two Sections.

SECTION I
(ECONOMICS)
(Marks 35)

Answer Question No. 1 and any *two* from the rest.

1. Answer the following questions. (5 × 1 = 5)
- (a) The definition given by Alfred Marshall is called _____ (wealth/ welfare/ scarcity)
 - (b) In which year Adam Smith gave his definition of Economics?
 - (c) Cross Elasticity of demand for substitute good is _____ (zero/positive / negative)
 - (d) What is Total Utility?
 - (e) What do you mean by equilibrium?

[Turn over

2. (a) 'Economics is both a science and art'-Explain. (7)
- (b) Describe the Law of variable Proportion. (8)
3. (a) Explain the concept of an isoquant. What are the properties of an isoquant? (5 + 5 = 10)
- (b) If $D = 100 - 2P$, stands for the law of demand, find the point elasticity (η) where $P = 5$. (5)
4. (a) What is the shape of the demand curve when the elasticity of demand is greater than one but less than infinity ($\alpha > \epsilon_p > 1$). Explain the determination of price under perfect competition. (1+7=8)
- (b) Derive the long run average cost curve. Suppose that a firm working under perfect competition in the market in the short run faces the following revenue and cost conditions
- $$TR = 12Q, TC = 2 + 4Q - Q^2$$
- Determine the equilibrium level of output and total profits (3 + 4 = 7)

SECTION II
(ACCOUNTANCY)

(Marks 35)

Answer Question No. 5 and any *two* from the rest.

5. Answer the following questions. (5 × 1 = 5)

(a) State any 2 differences between Trial Balance and Balance Sheet.

(b) What do you mean a Folio Number?

(c) Explain the concept of Contra Entry.

(d) What is a Scrap Value?

(e) Give two examples of Intangible Assets.

6. (a) State the Modern Rules as well as the Traditional Rules of Journalising. (5)

(b) Journalise any five of the following transactions : (2 × 5 = 10)

Mar 1 : Started business with a capital of Rs.50,000

Mar 2 : Defective goods returned to Barua Bros. Rs. 1,000

Mar 3 : Goods sold to Shola Rs. 3,000

- Mar 4 : Withdrawn from the bank by the owner for children's school fees Rs. 15,000
- Mar 5 : Municipal taxes paid Rs. 500
- Mar 6 : Mohanlal paid cash Rs.580 and allowed him discount Rs.20
- Mar 7 : Purchased a Refrigerator for office worth Rs. 20,000 cash from Reliance Digital.

7. (a) Arun purchased a machine for Rs. 40,000 on 1st January, 2018 and spent Rs. 5,000 on carriage and installation. The machine has a life of 10 years and the scrap value after the end of its useful life was Rs. 3,000. On 1st April 2018, he purchased another machine costing Rs. 30,000 having a life of 5 years, the scrap value being nil at the end of its useful life. Depreciation was charged on straight line method. Give necessary Journal Entries for 3 years ending on 31st December, 2018. (10)
- (b) Write up a Triple Column Cash Book and bring down the balances on 15-01-2019 : (5)
- 1.1.19 Cash Balance Rs. 450 and Cash at Bank Rs. 3,550
- 3.1.19 Cash received from Nilachal Rs. 195 and he got discount Rs. 5
- 5.1.19 Paid to Hind Central by cheque Rs.450 and discount received Rs. 25
- 10.1.19 Deposited cash into bank Rs.500
- 1.1.19 Bought goods for cash Rs.125

Or

(c) "Cash Book is a journal as well as a ledger"
Explain. (5)

(d) What do you mean by depreciation? What are the causes of depreciation? Give the formula for calculating depreciation under Fixed Instalment Method. (3 + 5 + 2 = 10)

8. From the Trial Balance of Das & Co. as on 31st March, 2019; prepare a Trading Account and a Profit and Loss Account for the year ended 31st March, 2019 and a Balance Sheet as on that date : (5 + 5 + 5 = 15)

Debit	Rs.	Credit	Rs.
Purchases	36,000	Capital	40,700
Discount	1,200	Sales	60,000
Salary	8,700	Sundry Creditors	12,000
Wages	2,300		
Carriage	275		
Rent and Rates	1,200		
Plant and Machinery	10,725		
Opening stock	15,500		
Sundry debtors	20,200		
Returns inward	1,100		
Cash in hand	100		
Cash at bank	10,100		
Commission	700		
Cycle	4,600		
	1,12,700		1,12,700

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Adjustment:

- (a) Closing Stock Rs.18,300;
- (b) Salary Outstanding Rs. 300;
- (c) Reserve for Doubtful Debts at 5% on Sundry Debtors;
- (d) Depreciate Cycle at 10%.

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